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NEWSPAPER

Advertising Age

December 10,1990

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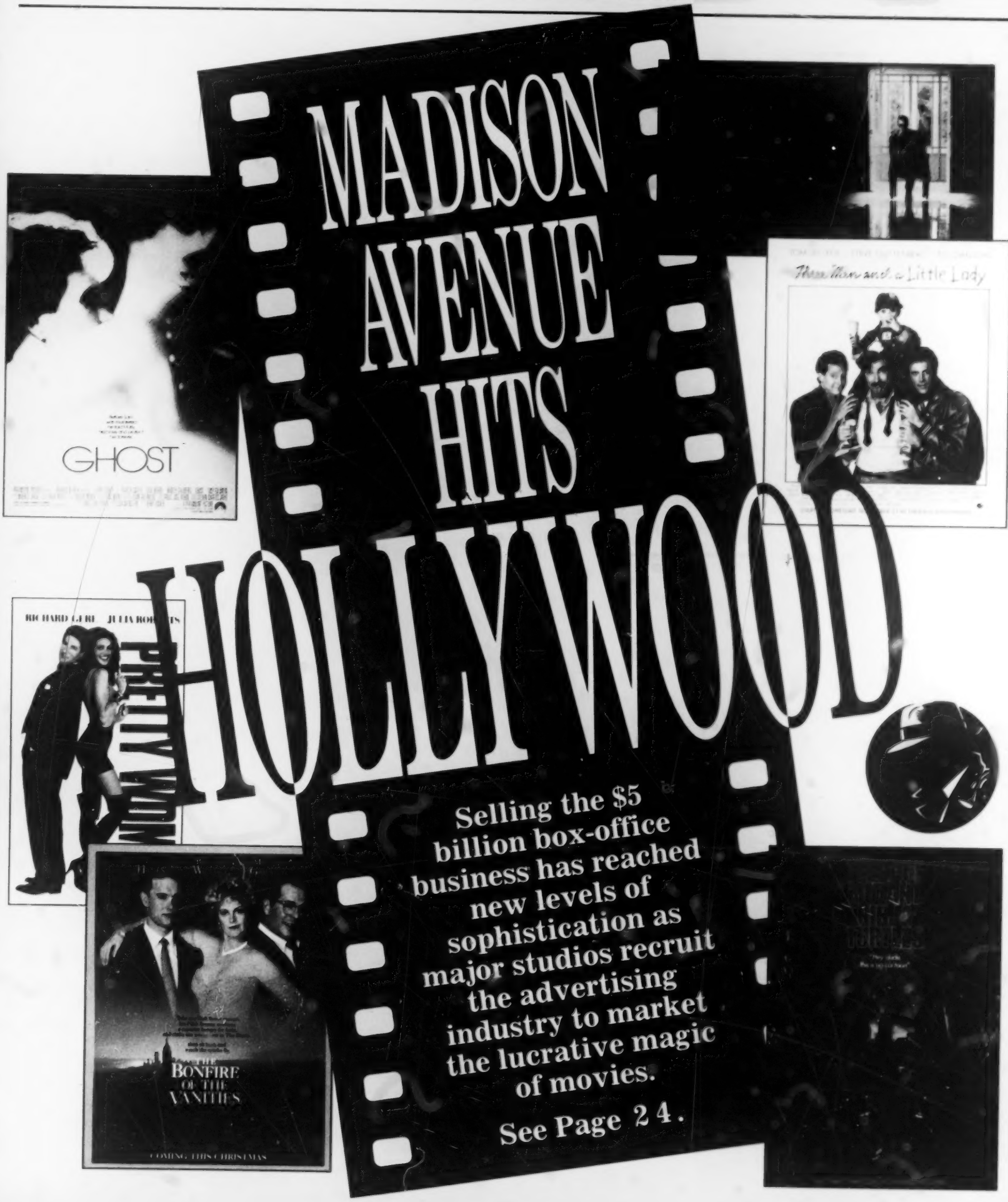
MADISON AVENUE HITS HOLLYWOOD
GHOST
Three Men and a Little Lady
PRETTY WOMAN
THE BONFIRE OF THE VANITIES
COMING THIS CHRISTMAS
Selling the $5 billion box-office business has reached new levels of sophistication as major studios recruit the advertising industry to market the lucrative magic of movies.
See Page 24.

Madge, Whipple dip and squeeze in new A&W ads

By Patricia Winters

Instead of pushing toilet tissue and dishwashing liquid, Mr. Whipple and Madge the manicurist are turning their talents to A&W root beer and cream soda.

A&W Brands will try to break through the soft-drink clutter next month with a new campaign that features personalities from other TV commercials.

The marketer is hoping to stretch its media dollars by using personalities who are instantly recognizable and already established.

"We're taking other people's ad dollars and using it to work for us," said Phil Silvestri, exec VP-creative director at agency Della Femina, McNamee, New York.

Not all of the characters will be from TV commercials—Mr. T of the former NBC-TV series "The A-Team" will appear in one spot.

Madge the manicurist keeps dipping her fingers in an A&W soft drink in a new spot breaking next month.

Mr. Silvestri said the people selected are famous for a "certain schtick" and an earthiness that reflects A&W's brand personality.

The first of six 30-second spots breaks Jan. 18. They will run on network and spot TV. All the spots show the filming of a commercial on a closed set and open with a shot of a table with an A&W product, with the voice of a director instructing

(Continued on Page 59)

Mr. Whipple can't stop squeezing the A&W Cream Soda can.

Hearst, Dow Jones plan business title

Joint project to test ad climate in 1991

By Scott Donaton

NEW YORK—Hearst Corp. and Dow Jones & Co., publisher of *The Wall Street Journal*, are jointly developing a monthly business title to be tested in mid-to-late 1991.

The as-yet-untitled magazine will be published as a stand-alone and is expected to compete with every-other-weeklies *Forbes* and *Fortune*.

"We are exploring it," said John Mack Carter, editor in chief of *Good Housekeeping* and director of magazine development at Hearst Magazines. "We have an agreement to explore this in 1991 and see what kind of magazine we want to produce."

Mr. Carter said the project combines Hearst's magazine development and publishing know-how with Dow Jones' business information expertise.

Hearst approached Dow Jones several times in recent years

P. Kann

J. Carter

about exploring such a project, he said, but was told "the time wasn't right."

Peter R. Kann, president-chief operating officer of Dow Jones and publisher of the *Journal*, finally decided to take Hearst up on its offer in October.

His decision came shortly after he was named to take Dow Jones' ceo post on Jan. 1. Just before the announcement, Mr. Kann had co-authored a cost-cutting memo stating that a magazine project being developed by Dow Jones would be tabled because of a "deteriorating economic climate" (AA, Oct. 22).

"We do have an agreement [with Hearst], basically to explore whether a magazine makes sense," said Roger May, director of corporate relations for Dow Jones. "We describe it as a pilot project that could lead to a joint venture. It may or may not."

Messrs. May and Carter said it was premature to discuss the content of the planned magazine.

Dow Jones has had an on-again,

(Continued on Page 58)

Mobil's RICO victory bolsters ad industry

By Steven W. Colford

A federal judge in Philadelphia has struck a potentially serious blow against false advertising suits filed under the Racketeer Influenced & Corrupt Organization Act.

U.S. District Judge Charles Weiner last week dismissed a RICO false advertising suit against Mobil Corp., rejecting two key arguments that had formed the basis for several similar, earlier suits under that 1970 law.

At issue in the Mobil case was the package labeling, advertising and promotion of Hefty trash bags as "degradable" that appeared from mid-1989 until early this year.

The plaintiffs in the class action suit, filed on behalf of consumers, claimed they were harmed because Mobil used sales proceeds from Hefty bags to continue what they alleged was a fraudulent marketing campaign.

They also argued the relationship between Mobil and its ad agency—Wells, Rich, Greene, New York—satisfied another requirement of RICO. That criterion makes it unlawful for "any person employed or associated with any enterprise" affecting interstate commerce to participate in the enterprise's affairs through a pat-

"It's overly optimistic to say it's the end of RICO [in advertising cases], but this ruling might put an end to the recent spate of cases."

tern of racketeering activity.

Judge Weiner rejected both arguments. He said putting money derived from Hefty sales back into the ad campaign didn't satisfy the RICO statute.

The RICO criterion on reinvestment would have been satisfied only if Mobil invested the Hefty proceeds in an entirely different business, said John Williams, lead attorney for Mobil.

"RICO was enacted to prevent organized crime from taking illegal money and putting it into a legal enterprise," Mr. Williams said. "Because the plaintiffs here couldn't point to racketeering money that had been invested, they said the proceeds from the ad campaign and sales were reinvested in the campaign. They thought that satisfied the law, but Judge Weiner said no way."

The judge also ruled the relationship between Mobil and WRG didn't satisfy RICO's intended definition of an enterprise.

"This part of RICO was intended to prevent the taking of control of an innocent enterprise by racketeers," Mr. Williams said. "If that is the case, it makes no sense for that enterprise that's taken over to be the defendant or its agent."

He said the ruling was a significant turn against the proliferation of false-advertising cases under the RICO statute.

"It's overly optimistic to say it's the end of RICO [in advertising

(Continued on Page 59)

LAST MINUTE NEWS

L.A. Gear gives BBDO work

LOS ANGELES—L.A. Gear has given BBDO Worldwide the go-ahead to produce a Super Bowl campaign for the new Catapult shoe, pending agreement on compensation. But the assignment may not be a steppingstone to L.A. Gear's entire $68 million account. The three other agencies that competed for the project—D'Arcy Masius Benton & Bowles here and Goldberg Moser O'Neill and Atlas Citron Haligman & Bedecarre, San Francisco—said they may get future creative projects from the company. BBDO will work closely with L.A. Gear's in-house agency. Vitt Media handles media buying.

HDM breakup nears

NEW YORK—HDM's three owners, Young & Rubicam, Dentsu and Eurocom, on Dec. 12 are expected to formally announce Eurocom will buy HDM's European operations for about $70 million. The deal would give Eurocom the largest agency network in Europe. Dentsu and Y&R still will operate a joint venture agency in the U.S. and Asia. Separately, HDM's office here was awarded National Foods' $3 million Hebrew National brand account, previously handled by J.J. Gross.

Geier's bullish on '91

NEW YORK—Interpublic Group of Cos. Chairman Philip Geier will tell this week's annual PaineWebber Media Conference he expects advertising spending to grow as much as 5% industrywide in 1991, with the strongest

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Cable TV

Can marketing quash the regulators?

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WPP, Saatchi woes hitting U.S. units

By Gary Levin and Laurel Wentz

NEW YORK—Troubles plaguing two major U.K.-based agency groups are landing on U.S. shores, with agencies here facing intense pressure to cut costs in 1991.

The combination of high debt and a weaker dollar are making more layoffs—already commonplace among many agencies—even more likely at shops owned by WPP Group and Saatchi & Saatchi Co.

Account losses and reviews are making the situation even more tense.

WPP's Ogilvy & Mather unit last week learned Hardee's Food Systems had put its $50 million account up for review after six years at the agency *(see story on Page 3)*.

NutraSweet Co.'s $40 million account at O&M's Chicago office also is up for grabs, with a decision coming soon.

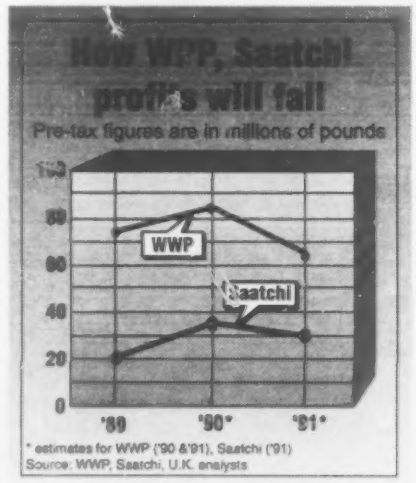
WPP's J. Walter Thompson USA—which ironically is pitching NutraSweet—has account troubles as well.

JWT dumped the media buying portion of Bally's Health & Tennis Corp.'s $60 million account, leading to the dismissal last week of 40 staffers, or one-third of the employees of the agency's Los Angeles office.

Earlier this year the office lost its largest client, 20th Century Fox Film Corp., so it ends the year with $100 million in billings—just half the size of last year.

William Lane, exec VP of the office, said Bally's had "charged up to the limit" and the agency was acting to protect the "fiduciary interest" of parent WPP. Earlier in the year, WPP Chief Executive Martin Sorrell took JWT's New York office out of the running for Continental Airlines' $40 million to $50 million account, citing the carrier's financial woes.

JWT's Toronto office also faces the possible loss of Pepsi-Cola Canada, a $21 million account being sought by Baker Lovick, owned by lead Pepsi agency BBDO Worldwide *(see story on Page 22)*.



John Hall/Holly Segure

The U.S. Marine Corps is in the midst of a mandatory review of its $16 million account. The incumbent, JWT's Atlanta office, last week lost the Snapper Power Equipment account, with measured media spending of $14 million last year, to West & Co., Atlanta.

Scali, McCabe, Sloves, the troubled New York agency negotiating to buy itself back from WPP, has lost more than $100 million in business this year, including the embarrassing forced resignation of the $40 million Volvo Cars of North America account. Remaining billings for the New York office are about $200 million.

JWT's Detroit office last week laid off six staff members, effective the end of the month, and won't replace five employees who are retiring at the same time, leaving 453 office employees and field staff who report to it.

"Martin [Sorrell] is turning his agencies over to the financial people and asking for extraordinary measures," said an executive at

(Continued on Page 8)

'National' cuts rate base

By Scott Donaton

NEW YORK—*The National* has fallen short of its circulation guarantees since its January launch and is preparing to offer make-goods to advertisers, the newspaper's executives said last week.

In the wake of a recent management shake-up, the sports daily also will lower its rate base and advertising rates.

The National has been guaranteeing advertisers a rate base of 275,000, but got about 73% of that with an average of just under 200,000 copies per day in October, acknowledged Advertising Sales Director Pete Spina.

He said the paper has missed its rate base by an average of about 30% since it was launched Jan. 31 in New York, Los Angeles and Chicago with a rate base of 250,000.

Mr. Spina last week called on major ad agencies to inform them of the circulation shortfall and explain the steps being taken to correct the problem.

The rate base will be lowered 27.3% to 200,000 immediately, although the paper is likely to deliver a bonus as it expands into new markets. The rate for a color page will be reduced 31% to $8,000.

Plans call for the paper's rate base to rise to 225,000 on Feb. 1 with the color page rate going to $8,500, Mr. Spina said. On July 1, the rate base will reach 250,000 and the cost of a color page will increase to $9,000.

The National also applied for membership with Audit Bureau of Circulations.

"We weren't ever trying to hide anything," Mr. Spina said. "We were in the blind for the first 10 months. We were led to believe we were delivering certain numbers."

Mr. Spina indicated the discovery of the gap between rate base and actual sales prompted the shake-up last month in which Pete Price, the paper's president and publisher gave up day-to-day control of the publication.

"We weren't ever trying to hide anything. . . . We were led to believe we were delivering certain numbers."

The newspaper's circulation director, assistant publisher and finance/administration director were dismissed then.

The sweeping changes were ordered by the paper's majority owner, Mexican media mogul Emilio Azcarraga Milmo. Jaime Davila, a group VP at Mr. Azcarraga's Univisa TV network, was brought here from Los Angeles to oversee the changes.

The paper's executives said Mr. Azcarraga is committed to working out problems and has no plans to sell or fold *The National*. "He is not a man who cuts and runs," said Editor-in-Chief Frank Deford.

The National expects to be in 13 or 14 markets by July. A Washington/Baltimore edition, the 10th, was launched last week. On tap are Philadelphia, Denver, Seattle/Tacoma, Wash., and, possibly, Atlanta.

Mr. Spina said several promotion and circulation efforts are being considered, including possibly advertising or distributing issues through sports arenas. A home delivery plan is also being developed.

The National expects to name a new ad agency within a month, Mr. Spina said. Wieden & Kennedy, Portland, Ore., agency for Nike, *The National*'s largest advertiser, is among a handful of candidates.

Serino Coyne Inc., New York, was dismissed shortly after Mr. Davila took the reins.

Agency media buyers said they were relieved *National* executives were coming forward with the truth. There had been persistent rumors in recent months that the paper wasn't meeting its rate base.

"I'm not surprised. What disturbed me was there was deception involved and that's too bad," said Gary Pranzo, exec VP-media director, Young & Rubicam. "We will have to sit down and figure out what we think is proper compensation."

But, he said, "It doesn't loosen my faith in the paper itself. It's still as good an editorial product as they proposed."

Paul [illegible], VP-director of print [illegible] Advertising, said he [illegible] paper "came clean. It was a positive reversal and a commitment to the future." ☐

Degree makes leaders sweat

By Pat Sloan and Laurie Freeman

Toiletries experts are predicting a major showdown in 1991 between leaders of the antiperspirant/deodorant market and two young upstarts—Helene Curtis Industries' Degree and Unilever's Powerstick.

Degree, a unisex line that's based on body-heat activation technology, was introduced late last year and now commands 5.5% of the $1.2 billion market. Powerstick, introduced about the same time, has a 3% share.

Procter & Gamble Co. and Mennen Co. are believed to be planning retaliatory measures to defend their positions.

One industry analyst said P&G is working on a technological advance for its Sure unisex antiperspirants. Meanwhile, Mennen is gearing up for a fight in the men's segment, where Powerstick is positioned.

"Next year, [Mennen is] going to ... be aggressive in terms of both product and spending," said John Dooner, president of McCann-Erickson North America. "There's no question that with Unilever involved and P&G—in a larger way with the acquisition of Old Spice—there's greater competition."

McCann-Erickson Worldwide, New York, handles Mennen.

P&G this year bought the Old Spice brand from American Cyanamid Co.

Analysts say most of Degree's success came at the expense of P&G's Secret and Sure, whose shares fell to 12.6% and 11.8%, respectively, through the first nine months of this year, from 14% and 12.5% for all of 1989.

Also feeling Degree's sting is Gillette Co.'s Dry Idea, which dropped to 4.3% through September from 5.5% for 1989, said Jay Freedman, senior VP at Kidder, Peabody & Co., and Carter-Wallace's Arrid, slipping to 9.5% in '90 through September from 10.5% for 1989.

Analysts credit Powerstick with knocking Mennen deodorant down to a 15% share through September from 16.5% in all of 1989, and Gillette's Right Guard down to 7% from 7.6%.

Despite Degree's success, industry marketing executives say the real contest could be between P&G and Unilever. The two are already gearing up for a fight between Old Spice and Unilever's Brut in the men's deodorant segment.

"They [Unilever] are the leaders worldwide with an 18% share compared to P&G's 10% share," said one marketer who asked not to be identified. "In the U.S., of course, it's the reverse.

"Unilever has wanted to get into the U.S. for years and now with Powerstick they feel they're a player," he said.

P&G's brands in the U.S. combine for a 29% share.

One source familiar with both companies noted that the antiperspirant/deodorant market, with only 4% dollar growth and 1% unit growth this year, is essentially flat. And that's where the problem lies for the smaller companies.

"Yes, it's stagnant and it's a battle for market share," said the executive. "But there's an area of opportunity.

"This isn't a category based on dreams in a bottle. It's a technically and functionally clean category, all of which means you have to spend money on advertising and also invest in technology. Unilever's in a position to do that, and P&G is. But how can a $700 million company do both? There's a competitive vulnerability."

McCann's Mr. Dooner sees it differently and suggested that some rivals to his client, Mennen, will have to pull back on spending.

"The fact is that the investment spending level of a couple of the new stick entries really suggests an impossibility in terms of a payout," he said.

But Helene Curtis VP Peter Wentz said his company plans to keep 1991 advertising and promotional spending for Degree at this year's level of about $50 million, via Saatchi & Saatchi Advertising, New York.

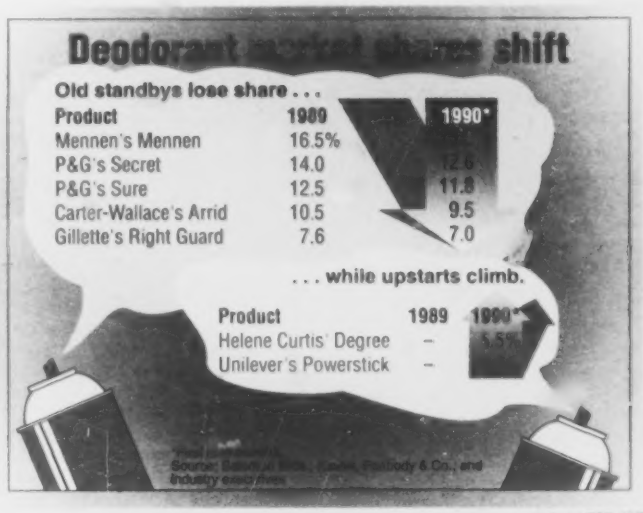
Close to $20 million of that goes into measured media.

Curtis is also preparing new Degree products, he said. And in January, Curtis will introduce a reformulated and repackaged Suave antiperspirant/deodorant backed by a 20% increase in ad spending, Mr. Wentz said.

The company will spend an estimated $8 million this year on Suave via Bayer Bess Vanderwarker, Chicago.

Mennen spent $16.7 million through August in measured media for its Mennen brand, while Unilever spent $7.4 million on Powerstick, via Lintas:New York, reported LNA/Arbitron Multi-Media Service. Gillette put $7.1 million behind its Right Guard line, via BBDO Worldwide; P&G supported Secret with $17.5 million, via Leo Burnett USA, Chicago, and Sure with $8.8 million, via Grey Advertising, New York. □

Jon Lafayette contributed to this story.


Deodorant market shares shift
Old standbys lose share . . .
Product 1989 1990*
Mennen's Mennen 16.5%
P&G's Secret 14.0 12.6
P&G's Sure 12.5 11.8
Carter-Wallace's Arrid 10.5 9.5
Gillette's Right Guard 7.6 7.0
. . . while upstarts climb.
Product 1989 1990*
Helene Curtis' Degree – 5.5%
Unilever's Powerstick –
Source: Salomon Bros., Kidder, Peabody & Co., and industry executives
HOLLY SEGUINE

New 'Daily News' salvo

Strikebound paper unveils afternoon edition

By Scott Donaton

NEW YORK—The *Daily News* began publishing an afternoon edition last week in a bid to halt strike-induced circulation and advertising declines.

Media analysts viewed the launch of the "PM Edition" as an offensive move by the tabloid's management and a sign that its parent, Tribune Co., isn't ready to give up the fight.

Ad linage and circulation declines since the strike began Oct. 25 threaten to force the company to close the 71-year-old paper.

Union leaders derided the afternoon edition as a publicity stunt and a "joke" destined to meet the same fate as the paper's "Daily News Tonight" edition, which folded in 1981 less than a year after its launch.

"Generally, what has happened in recent days makes it increasingly clear that Tribune is not ready to walk away from this thing," said Kevin Gruneich, a media analyst at First Boston Corp. "I think in the coming days we're going to see renewed vigor by the *Daily News* management and Tribune Co."

He said the "PM Edition" will increase the paper's losses and is likely to further strain management's relations with the unions.

The company's board is scheduled to meet Dec. 11 to decide whether to continue to support the *Daily News*.

Initial pressrun for the "PM Edition," being sold primarily by hawkers and newsstands in high-traffic commuter locations, is 30,000 copies. The Monday through Friday edition also includes the *News'* first use of spot color in the form of a blue band on the front and back covers.

The new afternoon edition of the *Daily News* is an indication of Tribune Co.'s willingness to fight it out, analysts say.

None of the city's other major dailies currently has an afternoon edition.

Mr. Gruneich said if the "PM Edition" leads to increased circulation, the tabloid may be able to woo back some of the major advertisers that have pulled out in recent weeks, including R.H. Macy & Co., Abraham & Straus and Alexander's (AA, Nov. 5, *et seq.*).

Most of those advertisers discontinued their ad schedules because of the *News'* distribution problems. None could be reached for comment last week.

Advertisers in the tabloid's regular morning edition are being offered the same amount of space in the new edition free. The first issue of the "PM Edition" included a handful of ads from small retailers such as Walton Mirror Works and New York Baby.

John Sloan, VP-human resources for the *Daily News*, said the paper had studied the launch of an afternoon edition for homeward bound commuters in recent months but that union contracts made the cost of producing such an edition "prohibitive" before the strike.

"After six months of extensive market research, it was determined that there was a need in the marketplace for late-breaking news and sports and business," he said. "We are able to do this now because we have eliminated the production and distribution restrictions and work rules that added unneccesary costs."

"It's a joke and a charade," said Deborah Friedman, a spokeswoman for the Allied Printing Trades Council, the umbrella group that includes the paper's nine striking unions. "They're just wasting more of their stockholders' money."

The *News'* current daily circulation is about 508,000, Mr. Sloan said, compared with 1.1 million before the strike. Union leaders say the actual circulation is between 200,000 and 300,000. □

Coppertone Sport hopes to shine

By Pat Sloan

Winter's barely begun, but Schering-Plough HealthCare Products is already thinking about summer.

The marketer is hoping to establish a new niche in the $500 million suncare category when it introduces Coppertone Sport in May.

The product, aimed at tennis players, golfers and other sports enthusiasts, is absorbed instantly into the skin to prevent it from running into the eyes or leaving a greasy residue on hands.

Schering-Plough has filed for a process patent on the product, which by reformulating existing ingredients offers "non-migrating, sweat-resistant protection" that leaves no residue, a company spokesman said.

While Coppertone Sport carries the Coppertone brand name, the product will have a separate identity created through a package design.

Coppertone Sport will be supported by a network TV and print campaign from Della Femina, McNamee, New York, and is targeted at adults ages 18 to 49.

Ideas for three commercials are now under consideration, but the campaign hasn't been finalized yet, said Mark Jones, senior account exec at the agency.

The Schering-Plough spokesman said there are no plans to use sports celebrities in advertising.

The spokesman declined to reveal the ad budget, but industry sources say they expect the launch to be supported by as much as $5 million, a large amount for the category.

Schering-Plough now spends about $6 million annually in total Coppertone advertising.

In the $328 million mass-market end of the category, Schering-Plough dominates with a 35% share through its three brands—Coppertone, Tropical Blend and Shade.

The company doesn't expect the new product to cannibalize existing Coppertone sales. While Coppertone Sport carries the Coppertone brand name, the product will have a separate identity created through a package design that represents a marked departure from traditional Coppertone packaging.

A royal blue hard-plastic tube with the dispenser on the bottom of the container instead of the top is accented by a geometric sports figure in shades of red, green and yellow. □

Commercial-free PPV an Olympian effort

NBC goes all-out to make Games' format work

By Laurie Freeman

NBC's hopes for its "Olympics Triplecast" pay-per-view package are set as high as the bar in the pole vault's gold-medal round.

Network executives foresee up to 3 million viewers and numerous promotional tie-ins for its PPV coverage of the 1992 Summer Olympics from Barcelona, Spain. But whether the network can clear the bar remains to be seen.

"I seriously question how they're going to get that level of homes to sign up for the package," says Stephen Grubbs, senior VP-national TV buying at BBDO Worldwide, New York.

Audience level is the primary issue, agrees Kay Durkin, VP-director of network broadcasts, Ogilvy & Mather, Chicago. "NBC's Olympics certainly will raise the visibility of PPV, but it's not clear . . . whether that will translate into subscribers," she says.

Viewers will shell out $149.95 for the PPV "Triplecast": 600 hours of live and taped events shown concurrently on three cable channels. The coverage is aimed at "complementing, not competing" with NBC's 160 hours of free Olympic programming, says Tom Rogers, president, NBC Cable & New Business.

Although NBC will not air commercials during its PPV coverage, the network is planning a number of promotional opportunities, which have piqued the interest of at least one advertiser already committed to over-the-air coverage.

Reebok International has signed a $10 million deal to advertise during NBC's regular coverage. The company now eagerly awaits the PPV presentation, scheduled to take place early this month, to find out how it can "enhance" its commercial presence.

OLYMPICS 1992

"One of the things we're open to is [making] our presence bigger than just the NBC media buy, a way to take it all the way to bright," says Sharon Cohen, Reebok VP-advertising.

"We're planning everything short of rolling a commercial," says Marty Lafferty, NBC's VP-Olympics PPV.

NBC hopes to go beyond the traditional boards and anchor desk signage associated with PPV, offering top sponsors promotions, sweepstakes and sampling opportunities to "augment the reach and frequency of their Olympics associations," Mr. Lafferty says.

This means NBC would like the shoe sponsor to cross-coupon, perhaps sending a $25 to $50 coupon to subscribers, good both for that amount off a pair of shoes and for a discount on the PPV package.

To convince advertisers, however, NBC must first woo viewers. Most media buyers consider PPV a medium in its infancy.

About 14 million U.S. households currently have PPV capability. NBC projects 22 million households will have installed PPV by 1992.

"It's not unreasonable to expect at least 2.5 million to 3 million" to sign up for the Olympics, Mr. Lafferty says.

NBC is working with six agencies on a $40 million PPV multimedia campaign: D'Arcy Masius Benton & Bowles, New York; DDB Needham Worldwide, Chicago; N W Ayer, New York; Della Femina, McNamee; Saatchi & Saatchi Advertising's marketing services unit; and Communications Diversified.

Still, skepticism runs high as to whether NBC can attract 3 million sports addicts and still offer promotions that add value to an already sizable Olympics media bill.

Mr. Grubbs will "take a hard look" at NBC's proposals and guarantees before he even thinks about taking the idea to BBDO clients, which include past Olympics advertisers Federal Express Corp. and Lever Bros.

Another client, Pepsi-Cola Co., may get the PPV pitch if Coca-Cola Co. doesn't bite.

The Olympics may prove a positive experiment in broadening PPV programming, but media buyers doubt it will be the turning factor in proving PPV a viable medium.

"No one single event will make or break [PPV]," says Mr. Grubbs, particularly when the majority of the Games will be shown over "free" TV, he adds.

There's no question the audience is desirable, Ms. Durkin says.

"Anyone paying that amount of money to watch . . . certainly would create an environment we'd want to be in," she says. □

Top advertised brands on cable TV ($000)

		Jan.-June 1990	% change Jan.-June 1989
1.	Sports Illustrated subscriptions	$5,365.6	77.6%
2.	Time-Life books	4,690.4	25.4
3.	McDonald's restaurants	4,481.5	94.9
4.	Sports Illustrated videocassettes	4,417.1	1,184.4
5.	Time-Life videocassettes	3,597.5	139.5
6.	Budweiser beer	3,218.4	−7.0
7.	Sears, Roebuck & Co. (household only)	2,790.8	168.3
8.	Burger King restaurants	2,679.7	87.9
9.	Bud Light beer	2,546.9	36.2
10.	Wall Street Journal subscriptions	2,495.1	48.5
11.	Levi's Jeans (men)	2,438.8	47.9
12.	Domino's Pizza	2,423.7	99.0
13.	Time-Life records & tapes	2,292.8	−3.7
14.	Michelob Dry beer	2,247.2	92.2
15.	The Sporting News subscriptions	2,231.3	33.2

Source: LNA/Arbitron Multi-Media Service. Cable TV networks are CBN, CNN, ESPN, MTV, USA and WTBS.

Advertising Age graph: Christine Martin

PEOPLE TO WATCH

Ray Joslin finds it easy to make friends in high places these days.

Big dealmakers in cable programming have found the soft-spoken 25-year cable veteran a good man to know: He calls the shots at Hearst Corp. as the publishing and TV giant focuses on cable acquisitions.

The man who pulled the trigger on Hearst's two blockbuster cable TV deals in October has been courted by just about every money-strapped cable network under the sun.

"We're not a bottomless pit," says Mr. Joslin, 54, corporate VP and head of Hearst's entertainment and syndication group. "But we've got the machinery in place to do due diligence on everything . . . we're interested in."

Mr. Joslin's visibility soared as Hearst has ponied up $200 million to become a major cable power as many media companies are cutting back for survival.

Hearst's biggest score was the more than $175 million acquisition of RJR Nabisco's 20% stake in ESPN.

Now Hearst has a major interest in three national cable networks: ESPN, 80% owned by Capital Cities/ABC; Arts & Entertainment, in partnership with Cap Cities/ABC and NBC; and Lifetime, with Cap Cities/ABC and Viacom.

Ray Joslin

Hearst also announced that its owned-and-operated WCVB-TV in Boston would join Boston-based Continental Cablevision in the $10 million start-up of a regional cable channel, New England Cable News Network.

In 1966 Mr. Joslin helped form Continental, now the nation's No. 3 multiple systems operator, while he was president of Joslin Communications. He became Continental's VP and stayed for 13 years.

He joined Hearst in 1980 as a VP and head of the company's cable communications group. In 1989 Hearst formed its entertainment and syndication group and placed Mr. Joslin in charge.

Media properties may have lost a great deal of Wall Street luster recently, but Mr. Joslin says Hearst's cable acquisition binge is far from finished.

"There are 25 established cable networks, and as the newcomers are finding out, it's a very difficult time to start from scratch," he says.

Mr. Joslin may shy away from some start-ups, but he is keeping his eye on the cutting edge.

"We have talked with all the players, and we'll keep talking to them. We've got two people on staff who do nothing but look into new TV ventures, including opportunities in direct broadcasting and international TV." □

—John McManus

OUT OF LEFT FIELD

Wacky cable shows develop a following

By Alicia Lasek

Cable's public access channels may have brought viewers thoughtful documentaries and heated local political debates. But it's the unlikely and strange that people most associate with public access. *Advertising Age* spanned the states to find proof of public access in its truest —and most fascinating—form.

"Clintonville Confidential"

For the last five years, James Wagner has documented his daily life on Columbus, Ohio's, public access Channel 21.

A producer and director at Columbus' government cable access channel, he has been known to hand his camcorder to his son and let the child film him ironing and doing dishes.

The show has generated a cult following and its share of complaints ("the camera was focused on his cat for a half-hour"), says Suzanne Patzer, programming director of Columbus Community Cable Access.

"Artistic Cosmetic Dentistry"

In Manhattan, dentist Barry Bloom hosts a one-hour call-in show he describes as "dull and devastating."

Devastating, he explains, tongue-in-cheek, because any dental encounter is traumatic for the public.

"I guess you could say it's infotainment," he adds.

"I talk about everything within the realm of dentistry," he says. "You can't leave anything out, because a healthy mouth is a beautiful mouth."

"Bernice Perry"

New Yorkers also get the retired Ms. Perry, who hosts a weekly tribute to Frank Sinatra.

Ms. Perry plays Mr. Sinatra's recordings, discusses his touring schedule and visits with guests that include other Frankie fans, stand-ins for his shows—anyone who has had contact with Mr. Sinatra in some way.

"Larz From Mars"

"Some people go bowling Wednesday nights; I go to Channel 10 and tape my show," says Fairfax, Va., taxi driver Larry Locoma.

Mr. Locoma hosts a laid-back talk show he describes as "a show to motivate people not to watch TV, to get them interested in what other people are doing." Segments include interviews with local entertainers and people with odd jobs.

"Once we had on a snake venom researcher from the National Institute of Health. We've interviewed car salesmen," he says.

"Face Your Pet"

Animal lover Kevin Roberts produces one of the most popular call-in shows on Austin, Texas, public access TV.

His pit bull terrier, Face, is the show's designated host. In addition to fulfilling society's right to meet the pets of local personalities, Mr. Roberts chats with owners of unusual animals and invites viewers to call in with questions—for the owners.

Mr. Roberts also discusses veterinary advice and continues an ongoing campaign to eliminate discrimination against pit bulls.

"Rob and Bill's Talk Show"

In South Carolina, self-described hang-out kings Rob Blackman and Bill Guandolo host what a local cable access spokeswoman calls a "kamikaze interview show."

The two invade kitchens to videotape frightening food for their "Bachelor Refrigerator of the Week" segment and read viewers' fortune cookie futures on location in Chinese restaurants.

The show also takes them into what Mr. Blackman terms "pseudo-controversial" territory, such as the landfill where the two searched for evidence of CIA payments to Gen. Manuel Noriega.

"We're what happens when you put a video camera in the hands of the common man," Mr. Guandolo adds. □

Alicia Lasek is a frequent contributor to Special Report.

Ratings newcomer tests new meter

By David Kilburn

TOKYO—A newcomer to TV audience measurement is challenging Video Research and A.C. Nielsen Co. of Japan with a technologically advanced type of people-meter system.

Nippon Datacom Corp., whose doors opened Nov. 1, has developed a system based on technology originally created for fish-finding equipment.

Funding for the new V-line system is from Mitsui Engineering & Shipbuilding Co., Data-Access, NTT Data Communications and Kaijo Denko K.K.

The system's equipment includes a box on top of the TV, a scanning unit next to the TV and a remote control unit with a button to identify each family member.

If viewers forget to push their button, the scanning unit records a discrepancy and a warning light flashes on top of the box to remind the unidentified person to punch in.

Data go directly over telephone lines to a host computer, which compiles them into report form.

Then, data go directly from the V-line's host computer into subscribers' own computer systems.

Accuracy for the V-line system, launched last month is 95%, Nippon Datacom says. The system can record individual ratings every 5 seconds, while Video Research's and Nielsen's systems record household ratings every minute. The difference could be crucial, since 15-second spots are the most commonly used in Japan.

"Japanese advertisers have been hoping for such a system. It's the right time for the hardware."

Both Video Research and Nielsen use on-line recording systems that count programs as viewed as long as the TV set is on. The systems are backed up with diaries.

Both Nielsen and Video Research are developing "passive meters" that will use cameras to record who's watching TV without viewers having to take any action.

These are expected to be ready within two years.

A representative from the Japan Advertisers Association praised the Nippon Datacom system.

"Japanese advertisers have been hoping for such a system. It's the right time for the hardware," said Toshiyuki Mori, who heads the association's broadcast media committee.

Under the other two systems, "nobody knows if only a cat is sitting in front of the television set that is on and counted under the system," he said.

Nippon Datacom installed machines on a trial basis last month in 10 Tokyo homes. The number of participating homes will increase to 500 in greater Tokyo by July. Nippon Datacom targets 9,500 households within a few years, including 3,200 in the Tokyo area.

By comparison, Video Research has 2,000 sample homes, with 300 in the Tokyo area, and Nielsen has about 800 sample homes, 300 of them in the Tokyo area.

Nippon Datacom will start seeking subscribers for the system next spring after the trial run. Pricing for information hasn't been determined. □

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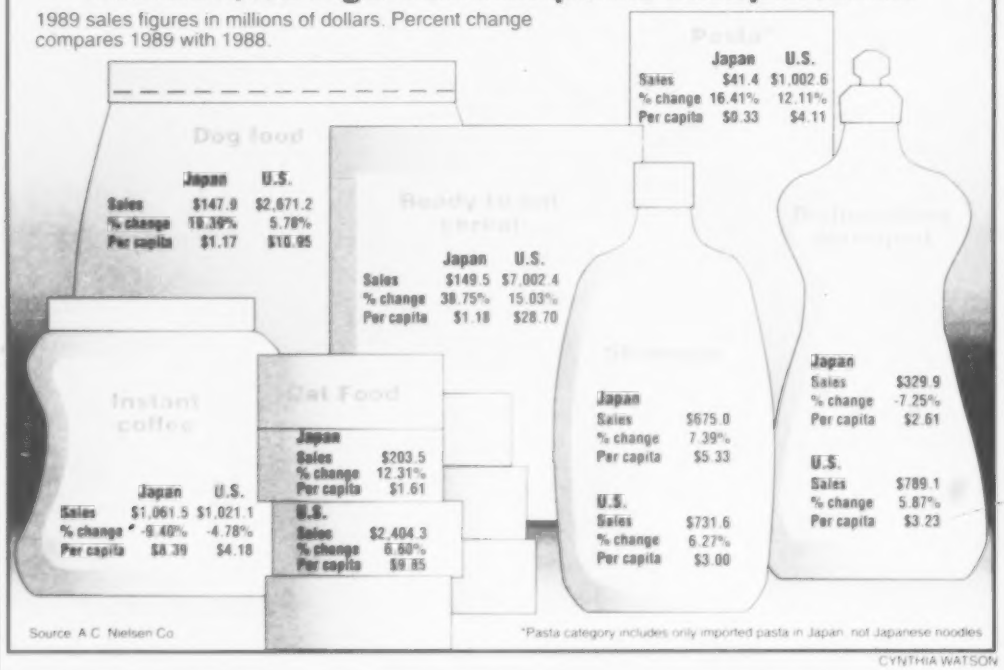
Nielsen/Ad Age consumption comparisons

1989 sales figures in millions of dollars. Percent change compares 1989 with 1988.



Source: A.C. Nielsen Co.

*Pasta category includes only imported pasta in Japan; not Japanese noodles

CYNTHIA WATSON

Banking ad ban relaxed

But industry-wide campaign killed after bank scandal

By David Kilburn

TOKYO—Japan's banking federation has halted a planned TV campaign because of a scandal at Japan's most profitable bank.

Individual banks, however, are launching their own campaigns next month, as a voluntary ban ends.

The Federation of Bankers Associations had planned to launch this fall a $7.8 million campaign through Dentsu aimed at upgrading the image of member banks.

Workers in Japan this month get bonuses of up to 25% of their annual salaries, and the campaign was slated to encourage people to deposit this money.

Taizo Hashida, chairman of the federation and president of Fuji Bank, said the campaign was canceled because of mounting public criticism of the industry in the wake of problems at the Sumitomo Bank.

Two branch managers have been indicted for making illegal loans to land and stock speculators, forcing the bank chairman's resignation. Separately, executives of the Mitsui Trust & Banking Co. were arrested Oct. 24 on tax evasion charges linked to alleged dealings with real estate speculators.

Real estate speculation by banks is being blamed for making home ownership unaffordable for many Japanese. Revelations that banks have boosted their profits by loaning depositors' money to fuel rising prices have attracted widespread criticism.

Agency sources estimate that the 12 major city banks will each spend $7.8 million to $15.6 million annually on TV advertising.

Meanwhile, individual banks are preparing for the end of a 46-year-old self-regulatory code that prevented them from airing TV spots—including cable TV, satellite TV and videotex services.

The ban was created to avoid giving large banks an unfair advantage over smaller ones.

The code allowed only generic commercials sponsored by groups such as the banking federation. For example, last year, the group ran ads themed "Liberalization of financial services and how banks are changing in response to the needs of the times," a Dentsu spokesman said.

Lifting the ban could mean TV ad spending of more than $300 million annually, Dentsu said.

Agency sources estimate that the 12 major city banks—those with national branch networks that provide retail and business banking services—will each spend $7.8 million to $15.6 million annually on TV advertising.

However, small and midsize financial institutions believe they will be at a disadvantage since most will be unable to afford TV time, sources say.

The federation will allow each member bank to run up to 375 seconds of TV commercials each month, to a maximum of 2,700 seconds a year. □

Model cuts conversion confusion

By Betsy Spethmann

Marketing research has turned to religion for its latest measurement system.

Research companies in at least five countries have introduced the Conversion Model, a system that helps marketers identify consumers most likely to try a certain brand and suggests strategies for appealing to those consumers.

The system borrows the principles of the study of religious conversion, where scholars categorized individuals by their willingness to convert. Jan Hofmeyr, a consultant to Research Surveys, teamed the conversion logic with mathematical models to develop the system.

"We determine how close consumers are to the cliff of change" from one brand to another, said John "Butch" Rice, principal of Research Surveys Ltd., which is marketing the model in Australia and South Africa. Market Facts, Chicago, markets it in the U.S.

A questionnaire measures consumers' involvement in a category, their satisfaction with their current brand, their view of alternative products, and their level of ambivalence about the category.

Product users and non-users are separated into one of eight categories based on their propensity for change. This spectrum, teamed with demographic data, shows which consumers will be most receptive to a marketer's message.

The Conversion Model also can differentiate between the motivations and market perceptions of non-users likely to switch brands and those unlikely to switch, suggesting specific marketing strategy, Mr. Rice said.

"We'll give you the hot buttons to press," he said.

Its marketers claim the Conversion Model can give early warning of possible share loss; show competitors' vulnerabilities and how a marketer can take advantage of them; and facilitate understanding of consumers' motivations for choosing specific brands.

Agencies have responded well.

"Ad agencies are among our staunchest supporters because the model gives them a creative strategy as well as measurement of how good the advertising is, independent of sales," he said.

The model was introduced in Australia, South Africa and the U.K. in 1988, and is now used in Canada and the U.S. as well. It's been applied to beer, financial services, alcoholic and non-alcoholic beverages, apparel, and cars, used by at least five auto marketers, Mr. Rice said. Projects are under way in the U.S. for restaurants and apparel, car, cigarette and food marketers.

The Conversion Model's ability to measure brand loyalty is especially valuable to marketers considering ad spending cuts.

"As user bonding to your brand increases, your brand is stronger," Mr. Rice said. "Sales could be steady, but [continuing] advertising could make you less vulnerable to attack." □

'Tis the season for CBS

The TV season has been a mixed bag for the networks. While ABC led the ratings for five age groups and NBC for three, CBS was the only network, except in one case, to show any increase from last year's ratings. CBS, the most vocal critic of Nielsen's rating system, hasn't softened its stance on the issue despite its favorable showing. Here are the ratings in each demographic for prime-time season to date, with the percentage of change from the same period last year.

	ABC		CBS		NBC		Fox	
	Ratings	% chg	Ratings	% chg	Ratings	% chg	Ratings	% chg
Women 25-54	9.2	-4%	8.9	+ 5%	9.8	-10%	4.3	-9%
Men 25-54	8.2	-9%	6.6	+ 5%	6.8	-16%	4.4	-10%
Women 18-49	8.7	-4%	7.7	+ 5%	8.9	-13%	4.6	-10%
Men 18-49	7.7	-8%	5.7	+ 8%	6.2	-16%	4.6	-10%
Women 65 +	9.0	-1%	14.6	-15%	14.9	-1%	2.2	—
Men 65 +	9.2	-10%	12.0	-6%	11.7	-3%	2.4	—
Women 18-34	8.6	-5%	6.7	+ 8%	8.2	-15%	5.1	-12%
Men 18-34	7.6	-8%	5.0	+ 9%	5.7	-19%	5.1	-11%
Teens 12-17	7.7	—	4.0	+ 21%	6.5	-19%	6.0	+ 22%

Ratings are for regularly scheduled programs. Source: Nielsen Television Index, 9-17-11-25-90 vs. 9-18-11-26-89

Count on cartography

Researchers plot maps to survey census data

By Patricia Strnad

At least four separate efforts are under way to map out the 1990 census for direct marketers.

R.L. Polk & Co. and Geographic Data Technology; Strategic Mapping; CACI Marketing Systems; and Claritas Corp. have developed systems that combine census data with other geographic and demographic information.

Polk and Geographic Data are developing an address coding guide that enables marketers to match postal addresses with census data. With the guide, Polk can develop mailing lists for direct marketers or analyze a marketer's list and furnish demographic information for small groups.

Polk, a Detroit-based marketing and research company, owns 41% of Geographic Data, Lyme, N.H., a supplier of computer-generated street maps.

The guide is a computer data base that builds on the U.S. Census Bureau's Topologically Integrated Geographic Encoding & Referencing Line files. Tiger is a file of computer-generated maps of all U.S. roads and addresses. Each address is assigned census tract and block group numbers, which identify the demographics of an area, usually 300 to 500 addresses per block group.

For example, if given the census tract and block group number in which an address falls, the Census Bureau can provide median household income for that geographic area, median age, percentage of minorities living there and other data.

Polk charges $5 to $6 per 1,000 addresses for information and will license out software packages for an undisclosed fee. The guide is scheduled to be completed by mid-1991 for use with the 1990 census results released in the fourth quarter of 1991.

The guide will also enable Polk and Geographic Data to create computer-generated value maps color-coded by demographic information, for mall developers, retailers or marketers deciding on new locations.

Strategic Mapping, San Jose, Calif., markets Atlas-GIS, a software package similar to Polk's address coding guide. It uses Census Bureau data and will use the 1990 Tiger file. But unlike Polk's guide, Atlas-GIS enables marketers to combine map files with their own data bases. Through this system, a map highlights the areas where concentrations of consumers matching desired demographics live or work. The software also can provide demographic information for an area and can print out a list of addresses and mailing labels. Introduced last summer, Atlas-GIS costs $2,495.

"The Census Bureau doesn't market [data] in its most convenient form."

Stephen Polk
President, R.L. Polk & Co.

CACI, New York, markets a consumer market segmentation program called Acorn, an acronym for A Classification of Residential Neighborhoods. The data base classifies each of 250,000 neighborhoods defined by the Census Bureau into 44 distinct consumer types, such as "high-income suburban families with young children" and "mainstream Hispanic Americans."

A marketer can provide Acorn with addresses of customers and find out which Acorn segments its customers are coming from. Marketers also can get lists of prospective customers.

Acorn uses Census Bureau data and will use the Tiger files. Depending on what specific information is needed, Acorn can cost between $1,000 to $100,000.

Similarly, Claritas, Alexandria, Va., sells a market segmentation system called Prizm, which stands for Potential Rating Index by ZIP Markets. Prizm classifies all U.S. neighborhoods into 40 basic lifestyle segments, or clusters. Like its competitors, Claritas' system matches Census Bureau data with postal ZIP codes.

The Census Bureau created Tiger in 1986 to help administer the 1990 and future censuses, and now is making the data available to marketers, developers and statisticians.

But "the Census Bureau has no commitment to keep Tiger current," said Stephen Polk, president of Polk. "New streets, addresses and subdivisions are dedicated continually, but there are no cross-references to them and no record of them within Tiger."

When Polk and Geographic Data discover an address absent from the Tiger file, the companies research its location and block group to match the address with Census Bureau demographics.

If a new subdivision is in a block group that has no history—for example, if it were built on an undeveloped piece of land—Polk would conduct research to develop statistics for the subdivision. Polk uses information such as automobile registrations, demographics of the surrounding community and housing prices.

"Marketers could send us a list of their clients or prospects and we could identify the block group and census tract on all the addresses," Mr. Polk said. "They could then get the data itself from the Census Bureau. . . . [but] the Census Bureau doesn't market it in its most convenient form."

"The Census Bureau's not trying to create marketing data bases," he said. "Once the census is completed, the bureau isn't going to put forth any effort to maintain this data base until the year 2000." □

Betsy Spethmann edits Research News.

RESEARCH BRIEFS

Researchers rank top issues: "Improving the utilization of market information" was voted the No. 1 concern for 1990-92 by the trustees of Marketing Science Institute. The ranking helps set priorities for institute-sponsored research programs. Rounding out the top five were: "measuring and managing brand equity"; "developing a market-driven, customer-oriented organization"; "improving processes for developing new products and services"; and "understanding, measuring and managing service quality."

Company notes: Generation Insights, Tonka Bay, Minn., has opened under owner Lillian Maresch. The company specializes in researching baby-boomers and also has an office in San Francisco. . . . **IntelliQuest**, Austin, Texas, has affiliated with Media Research, Seoul, to help IntelliQuest monitor the Pacific Rim. . . . **FIND/SVP**, New York, has expanded its Strategic Research Division to offer quantitative surveying and focus groups. Director Ann Middleman, 43, heads the division; she had been a consultant to FIND/SVP.

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NAMELAB®

AD REVIEW

Anything bad to say about that new Nissan ad? No sirree, Bob!

(Rating: ★ ★ ★ ½)

By Bob Garfield

Garfield

A prominent image in a new spot for the Nissan Sentra SE-R sport sedan is a yellow road sign bearing the message: YIELD TO BOB.

My sentiments exactly.

In this oppressive world of immovable Freds, intransigent Dennises and unswerving Valeries, yielding to Bob has become something of a lost art. More's the pity. Bob has a lot to contribute, if only people would put aside their petty self-interest, subordinate their own stubborn prejudices and completely submit to Bob's will.

Leland Palmer notwithstanding, is that so wrong?

The enlightened creatives at Chiat/Day/Mojo, Venice, Calif., probably think they've just added a wrinkle to their yearlong fantasy campaign, but they've actually stumbled onto a psychographic mother lode and a shining proposition for the New World Order, by which I mean not a bankrupt Soviet bloc but rather a thoroughly Bobcentric universe.

At last, Everyman has access to a performance sedan—the Nissan Sentra SE-R—as dramatized in a hilarious, Bobcentric view of the world, from Chiat/Day/Mojo.

Even if "Twin Peaks" peters out, 1991 has all the makings of the Year of Bob. Not only will the end of 1990 bring the first digital palindrome in 110 years—demanding a palindromic namesake like Bob to go with it—events in Eastern Europe and the Persian Gulf will foment much hubbub and commotion, which, of course, is bobbery.

Finally, in May, from Dell Publishing comes: "The Bob Book," the definitive trade paperback on Bobness.

So when this 30-second commercial opens, with a shot of L.A. freeway gridlock, the narrator's motoring fantasy is so much more than idle daydream; it is the antidote to discombobulation.

"If I could afford a sports sedan," he says, "the road would belong to me . . . Bob." Whereupon he jerks his sleek, black Sentra into second gear and pulls onto Bob's Expressway.

"I'd have one of those multivalve engines, independent suspension [he zooms through a tollbooth with a BOB lane], and of course a spoiler on the back ['Go Bob' green traffic signal]. Yeah, if I could afford a sports sedan ['No Parking Except for Bob' sign], life would be a cruise."

Here a motorcycle cop approaches the car, apparently after having flagged the Sentra down. "Oh," the CHiP says apologetically, "It's you, Bob." Then the voice-over says, "Introducing the new Nissan Sentra SE-R. Because rich guys shouldn't have all the fun."

Note the attention to detail. In contriving the "Bob" props, art director Corey Stolberg and director Bill Wertz are utterly faithful to roadside reality. While precisely matching typefaces is, to borrow from the foreword to an old collection of *Harvard Lampoon* parodies, "about as difficult as dialing a telephone," the fact is it's exactly the sort of detail frequently forsaken—even in feature films—resulting in jarring moments of compromised verisimilitude.

But this spot, written by Tom Witt, offers far more than a cute premise and good signage. The tour de Bob is also a psychographic tour de force, a sort of video aphrodisiac for the flaccid, benumbed, put-upon Bobs of the world.

Anyone ever cut off by a speeding, traffic weaving young underachiever recognizes the inverse relationship between worldly success and driving aggression. His car is not only a phallic extension; it is a bludgeon, wielded with impunity by an impotent working stiff empowered in no other way. Bob is the frustrated Everyman who longs for a sport sedan in which to have his way with the world, but Bob can't shell out $20,000 for the Nissan Maxima of his dreams. That car's the province of guys named Garth and Blake and maybe even Rance.

Enter the Sentra SE-R—the R, I suppose, being for Robert.

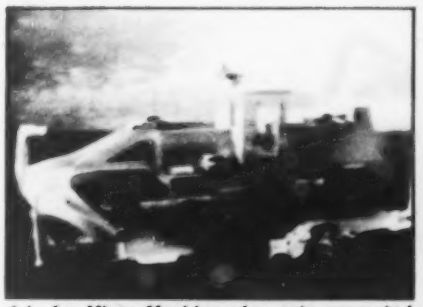
Or maybe for relief, from middle-class pressure and advertising convention. This spot proves that you can unabashedly exploit simmering class envy without either talking down to the working man or resorting to sophomoric caricatures of the well-to-do. Thrumming Bob's throttle, in other words, without running Rance off the road.

Restraint in car advertising, like the affordable performance sedan and Bob's Expressway, is an idea whose time has come. Granted, 1990 was kind of rough for the car industry and Laura Palmer. But speaking for Bobs everywhere, 1991 promises to be a hell of a year. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

FTC hits Galoob, agency for ads

By Steven W. Colford



Ads for Micro Machine play sets prompted the FTC to investigate Galoob and its agency for deceptive advertising.

WASHINGTON—The Federal Trade Commission last week slapped sanctions on Lewis Galoob Toys and its agency for ads that the FTC said showed toys doing things they really couldn't.

The ads cited by the FTC were for Galoob's Micro Machine toy sets, Xpanders Chopper/Assault Base and Bouncin' Kid Ballerina Kid and aired from 1988 through this year.

Ads show the doll dancing and helicopter flying, both of which require human assistance, the FTC said. They also failed to disclose that assembly was required for certain toy sets.

Under terms of the consent agreement, Galoob and its agency, Towne, Silverstein, Rotter, New York, are prohibited from misrepresenting a toy's ability to move without human assistance and from showing two or more non-identical toys not available for purchase together without "clearly and conspicuously" disclosing the toys were sold separately.

In addition, future ads must disclose that assembly is required when a fully assembled Galoob toy that requires assembly is shown in a commercial.

The agreement concludes an FTC investigation that began more than a year ago into such TV spots that aired only on independent stations.

The case involved "some very basic deception issues that were not isolated," said Lee Peeler, associate director of the FTC's Division of Advertising Practices. "There was more than one [deceptive] ad for more than one toy."

Stephen Klein, Galoob exec VP-general counsel, said the company disagreed with the FTC, but agreed to the consent "to save money and be cooperative.

"We've been advertising to children for years and TSR has been producing ads to children for years, and this comes down to a difference of opinion, a matter of interpretation," Mr. Klein said.

The company has received only "a few consumer complaints in the last few years," he said.

For Galoob, the regulatory action represents another setback in a troubled year. Galoob sales for the first nine months of 1990 were $105.4 million, down 37.9% from a year earlier, reported L.H. Alton & Co., a research brokerage firm.

As for including the agency in the settlement, FTC attorney Joel Winston said the misleading ads "represented the sorts of violations that an agency ought to be familiar with and know to avoid. This was not an instance where there is scientific substantiation involved that an agency might accept on faith . . . but rather basic issues about how to put an ad together."

The agency didn't return phone calls.

Mr. Winston suggested it was more than coincidence that the ads in question never appeared on network stations.

"Toy ads over the years have gotten better because of the networks' review process, and maybe Galoob found a way to bypass them, and when you do that, you stand a better chance of getting ads like these on the air."

Galoob joins toy marketers Hasbro, Mattel and General Mills, among others, currently operating under an FTC consent agreement for deceptive toy ads, Mr. Peeler said.

The FTC, by virtue of the agreement, "is saying it will look hard for substantiation, and also that the FTC is back. I'm sure we're going to see more cases from the FTC soon involving national advertisers," said Wally Snyder, exec VP of the American Advertising Federation and a former FTC official.

At the American Association of Advertising Agencies, Exec VP Hal Shoup noted that it had been "a long time since a case like this where an agency and an advertiser were named. I think that is the difference in this case, and I think that's a good reflection on the overall quality of advertising." □

DATAWATCH

Environmental action
U.S. consumers are taking environmental problems into their own hands. Nearly one-half of Americans have taken some environmental consumer action, such as avoiding aerosol sprays, reducing their use of paper towels and opting for glass containers and paper bags over plastic.
45%
Read a label on product to see if it had environmentally harmful ingredients
54%
31%
Bought a product because it was supposed to be good for the environment
34%
Didn't buy a product because of concern for the environment
Bought products made from recycled materials

JOHN SMITHER

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